

ASSEMBLY BILL

No. 27

Introduced by Assembly Member Gorell

December 6, 2010

An act to amend Sections 13320 and 13321 of, and to add Section 9026.7 to, the Government Code, relating to the state budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 27, as introduced, Gorell. State budget.

Under existing law, no bill other than the Budget Bill may be heard or acted upon by a committee or either house of the Legislature until the 31st day after the bill is introduced, unless the house dispenses with this requirement via a $\frac{3}{4}$ vote.

This bill would require that the Budget Bill be in print and posted on a publicly accessible Internet Web site for 72 hours before it could be passed and sent to the Governor.

Under existing law, a state agency or court for which an appropriation is made is generally required to submit to the Department of Finance for approval a complete and detailed budget setting forth all proposed expenditures and estimated revenues for the ensuing fiscal year.

This bill would require each state agency and court for which a General Fund appropriation is made to submit a budget that reduces its General Fund appropriation by 20% from the previous year. This bill would also require each state agency and court to identify any mandates or capital projects that would be impacted by the reduction in funding and to develop a system for evaluating the effectiveness of the agency in meeting its stated core functions that identifies the impact of the reduction in General Fund funding on those core functions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known and may be cited as the
2 Priority-Based Budgeting Act of 2011.

3 SEC. 2. The Legislature finds and declares all of the following:

4 (a) At the November 2, 2010, statewide general election,
5 California voters approved Proposition 25, which permits the
6 Legislature to pass a budget with a majority vote. Proposition 25
7 gives the Legislature substantial flexibility in establishing spending
8 plans for the various agencies and departments of the state.

9 (b) Current budget procedures are inadequate for Members of
10 the Legislature to determine the likely impacts of budget cuts and
11 to establish clear priorities during periods of declining state
12 revenues. The budget process is also inadequate as a means to
13 inform Members of the Legislature when statutory mandates restrict
14 legislative prerogatives in making important budget decisions.

15 (c) The foundation of successful priority-based budgeting is to
16 provide greater information to the Legislature and the Governor
17 as they evaluate the core functions of each agency and department
18 and determine why each agency and department exists. Providing
19 programs that achieve relevant results in core functions is the most
20 profound outcome of priority-based budgeting.

21 SEC. 3. Section 9026.7 is added to the Government Code, to
22 read:

23 9026.7. The Legislature shall not pass, nor send to the Governor
24 for approval, a Budget Bill that has not been in print and posted
25 upon a publicly accessible Internet Web site for at least 72 hours
26 prior to passage.

27 SEC. 4. Section 13320 of the Government Code is amended
28 to read:

29 13320. Every ~~State~~ *state* agency and court for which an
30 appropriation has been made, shall submit to the department for
31 approval, a complete and detailed budget at ~~such~~ *the* time and in
32 ~~such the form as may be~~ prescribed by the department, setting
33 forth all proposed expenditures and estimated revenues for the
34 ensuing fiscal year *in compliance with Section 13321.*

1 SEC. 5. Section 13321 of the Government Code is amended
2 to read:

3 13321. ~~The budgets~~ (a) *Each budget submitted* shall show the
4 allotments of appropriations or other funds available for the fiscal
5 year by quarter or other period of time and by organization unit.
6 *Any portion of a budget funded by an appropriation from the*
7 *General Fund shall not exceed 80 percent of the General Fund*
8 *appropriation in the budget submitted for the prior fiscal year.*
9 Expenditures may be classified by line item for each program in
10 the detail prescribed by the department. The department may
11 require the head of the state agency or court, in making up the
12 budget allotments, to set aside a reserve for contingencies or other
13 purposes in such amount as the department determines.

14 (b) *Each budget submitted under this section shall include the*
15 *following information:*

16 (1) *Identification of any state or federal mandates that would*
17 *be in conflict with the reduction in General Fund appropriation.*

18 (2) *Identification of the impact of the reduction in General Fund*
19 *appropriation on planned or ongoing capital projects.*

20 (3) *An evaluation system, developed by the agency or court in*
21 *conjunction with the department, that describes all of the following:*

22 (A) *The core functions of the agency or court.*

23 (B) *The goals established to accomplish the core functions.*

24 (C) *The activities developed to achieve state goals.*

25 (D) *A performance goal and an outcome-oriented performance*
26 *measure for each activity for which an appropriation is made or*
27 *requested.*

28 (4) *Identification of the impact, if any, of the reduction in*
29 *General Fund appropriation on the core functions of the agency*
30 *or court.*